

INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME



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Mineral Resources and Energy
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BACKGROUND OF INEP

- The DMRE has been mandated to ensure and secure sustainable provision of energy for socio-economic development.
- Integrated National Electrification Programme is the Department's programme responsible for achieving universal access to electrification in the country.



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BACKGROUND CONTINUES-----

- The Integrated National Electrification Programme (INEP) is responsible for planning, project management and funding the bulk infrastructure (e.g. MV lines and substations), grid and non-grid new connections for households that cannot afford to pay on their own to receive access to electricity.
- The programme is implemented by transferring funds to implementing agencies (Eskom, local municipalities and non-grid service providers) with the aim of achieving universal access to energy by 2030.



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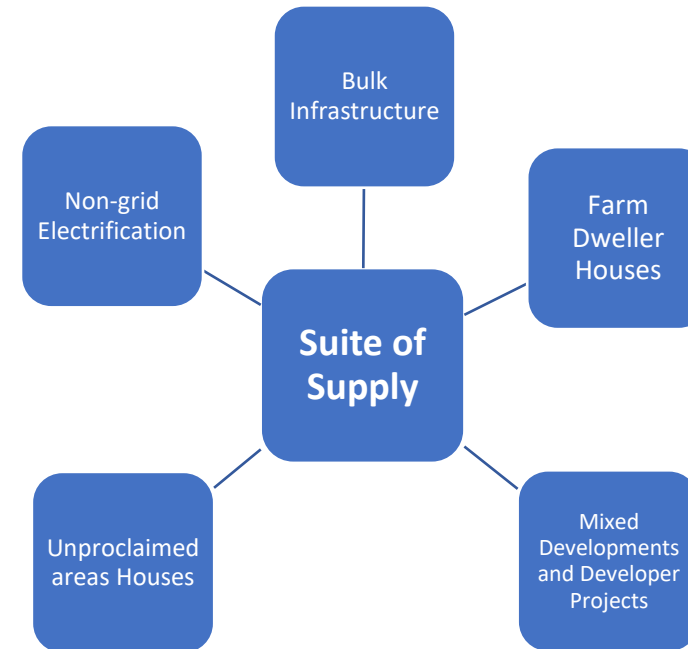
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POLICIES

Implementation of INEP is guided by several policies to ensure that funded projects eventually fulfills the mandate of the Department.

1. **Suite of Supply policy** covers all project categories and is the fundamental policy that highlights minimum technical aspects to be adhered to.
2. **Bulk Infrastructure policy** deals with requirements for funding of substations and distribution supply lines.
3. **Unproclaimed Houses policy** deals with steps to follow in sourcing funding for the electrification of unproclaimed houses.
4. **Farm Dweller Houses policy** highlights criteria for funding of electrification of farm dweller houses.
5. **Non-grid Electrification policy** provides guidelines for electrification of houses that are far from electricity infrastructure.
6. **Mixed Developments and Developer Projects** outline the process and requirements for funding the electrification of mixed housing developments and the minimum level of service.



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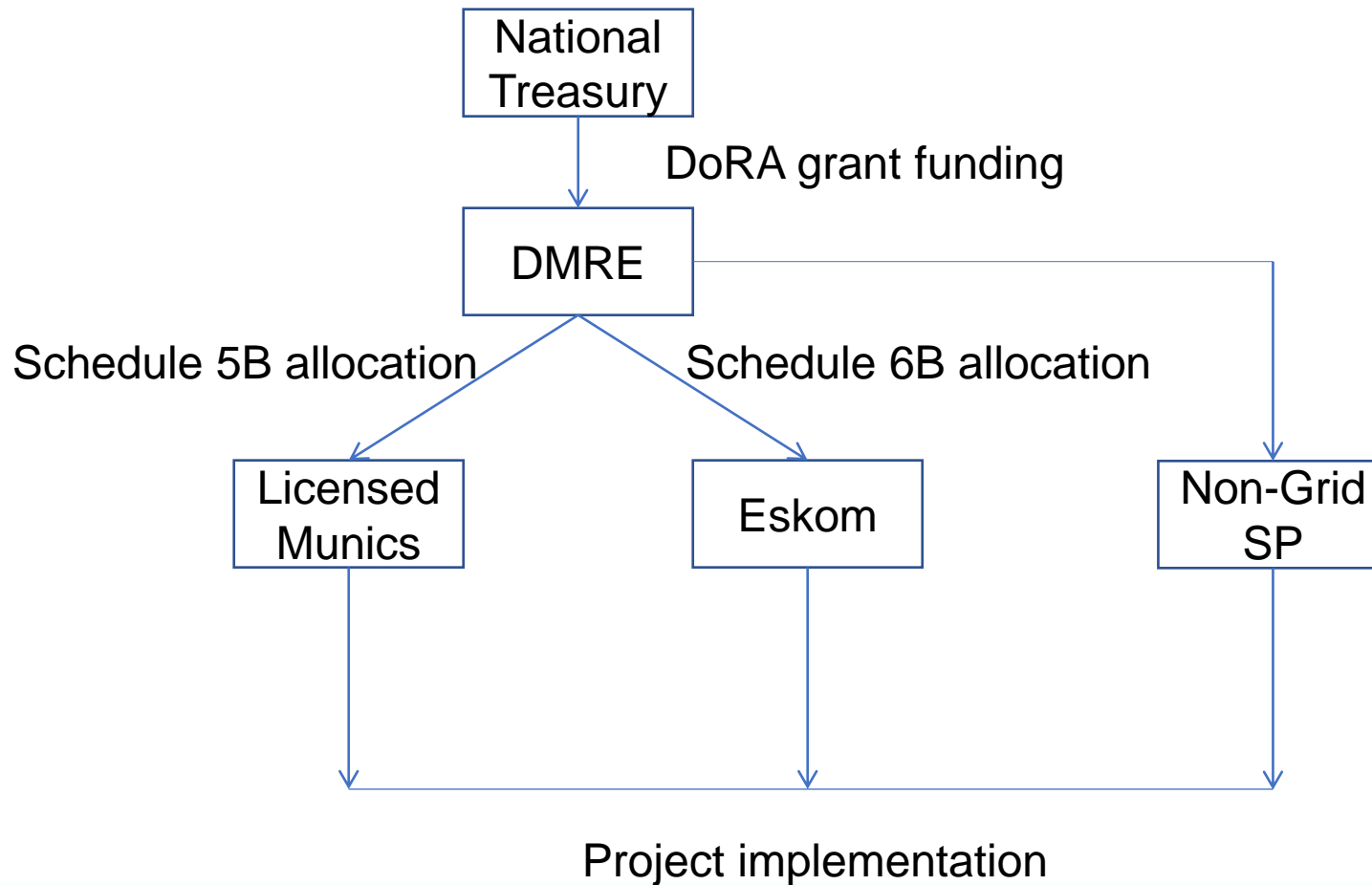
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FUNDING MODEL



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MTEF ALLOCATIONS

PROGRAMME	2021/22 (R'000)	2022/23 (R'000)	2023/24 (R'000)	TOTAL (R'000)
Municipal	2,003,157	2,118,668	2,212,046	6,333,871
Eskom	2,824,257	3,638,162	3,821,156	10,283,575
Non- Grid	232,269	238,502	249,014	719,785
TOTAL	5,059,683	5,995,332	6,282,216	17,337,231



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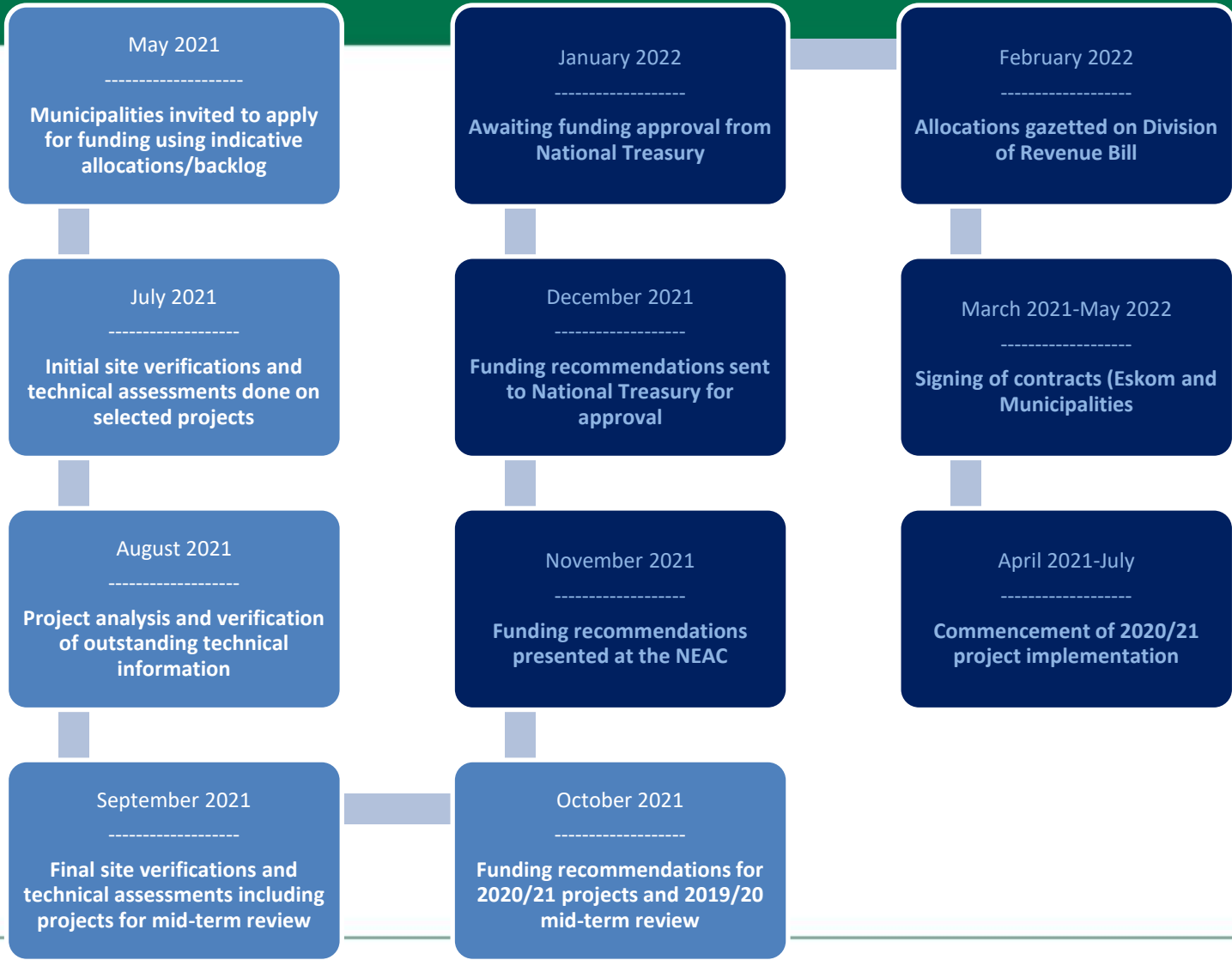
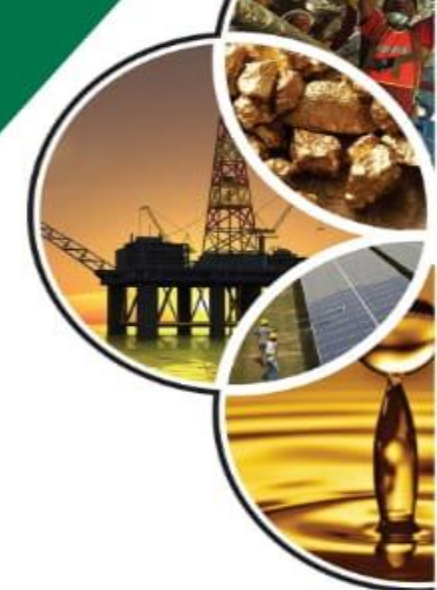
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ELIGIBILITY FOR FUNDING

- Informal settlements
- Farm-dwellers
- Post connections/ Infills
- Pre-engineering
- Bulk infrastructure
- Mix-developer projects
- Reimbursements – pre-approved



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ALLOCATION CRITERIA

- High backlogs
- No application no funding allocations
- Past performance (financial and non-financial)
- Integration with other programmes such as 57 priority district municipalities, the National Development Plan, catalytic projects, and mining towns
- New, refurbishment and upgrading of bulk infrastructure projects that support future electrification needs
- Submitted Business plans
- Political commitments
- Projects where funds were recouped by NT
- Multi-year Projects
- Approved Front loading (Reimbursements)



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2021/22 FY MUNICIPALITY PERFORMANCE-END OF DECEMBER 2021

PROVINCE	MUNICIPALITY ALLOCATION (R'000)	YEAR TO DATE TRANSFERS (R'000)	YEAR TO DATE REPORTED EXPENDITURE (R'000)	REVISED CONNS	ACHIEVED CONNECTIONS INCLUDING ROLLOVERS
Eastern Cape	314, 162	200, 115	155, 415	11 196	7 084
Free State	108, 119	76, 000	27, 604	2 343	3 631
Gauteng	130, 148	81, 732	60, 855	6 531	2 089
Kwa Zulu Natal	447, 466	306, 114	90, 744	19 788	5 605
Limpopo	298, 164	235, 164	34, 873	14 774	6 329
Mpumalanga	275, 381	159, 218	112, 646	8 181	3 603
Northern Cape	170, 366	63, 630	20, 165	6 786	2 543
North West	86, 780	33, 108	30, 030	3 155	751
Western Cape	172, 571	164, 015	33, 180	3 713	3 563
TOTAL	2, 003, 157	1, 319, 096	565, 512	76 467	35 198



2021/22 FY ESKOM PERFORMANCE-END OF DECEMBER 2021

PROVINCE	ESKOM REVISED ALLOCATION (R'000)	YEAR TO DATE TRANSFERS (R'000)	YEAR TO DATE REPORTED EXPENDITURE (R'000)	REVISED CONNS	ACHIEVED CONNECTIONS INCLUDING ROLLOVERS
Eastern Cape	653, 779	555, 712	296, 803	19 416	8 183
Free State	64, 868	70, 135	47, 465	3 582	2 436
Gauteng	106, 054	97, 572	47, 614	3 770	2 186
KwaZulu Natal	674, 089	569, 950	297, 042	27 959	15 972
Limpopo	431, 289	351, 948	135, 741	14 188	9 783
Mpumalanga	285, 000	237, 489	73, 288	11 567	6 025
Northern Cape	165, 830	140, 893	73, 079	3 682	1 288
North West	311, 854	265, 076	169, 289	13 487	9 855
Western Cape	131, 494	140, 893	53, 745	4 872	2 250
TOTAL	2, 824, 257	2, 400, 619	1, 194, 064	102 523	57, 978



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CHALLENGES EXPERIENCED BY INEP

- COVID 19 has negatively affected the supply chain process for most municipalities whereby their Bid Adjudication Committees (BAC) were unable to meet to finalise the appointment of service providers.
- Electrification projects consultants and contractors have been appointed late.
- Municipalities have not been reporting as required in terms of the Division of Revenue Act due to their offices being closed due to identified COVID 19 positive cases.



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CHALLENGES EXPERIENCED BY INEP

- The situation leads to officials working from home where there are no printers to print the reports for the Municipal Manager's signature before they can be submitted to the Department.
- Department is still experiencing challenges with municipalities that are implementing uncontracted projects.



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INTERVENTIONS TO DEAL WITH CHALLENGES

- The allocated funding for municipalities that have not yet finalized the appointment of service providers have been recommended for reallocation to municipalities that have appointed so that funds are spent by the end of the financial year.
- A new allocation has been recommended for those municipalities in the 2021/22 financial year.
- Working sessions have been arranged for those municipalities who are implementing uncontracted projects in order to follow the right process of change



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INTERVENTIONS TO DEAL WITH CHALLENGES

For Eskom programme

- Eskom has been requested to provide a catch up plan for the time lost during the December holidays.
- The Department has requested Eskom to provide a recovery plan for the projects that have been affected by COVID 19.



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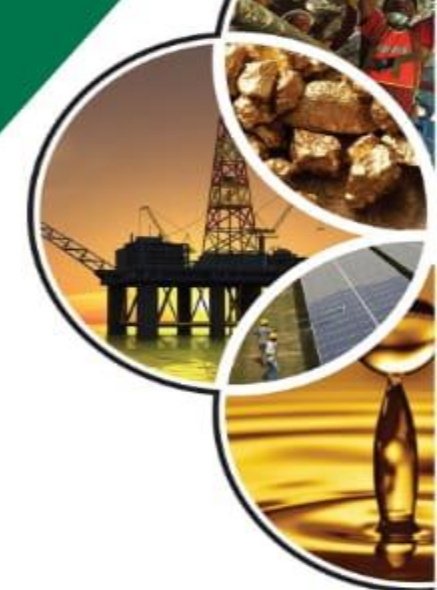
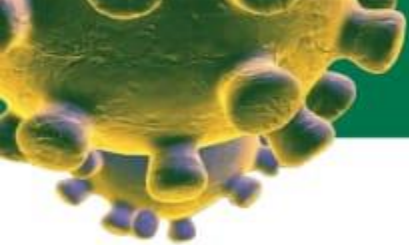
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